

DOCUMENT RESUME

03209 - [A2373505]

[Relocation Expenses]. B-187848. August 23, 1977. 3 pp. + enclosure (1 pp.).

Decision re: Ralph F. Pupo; by Robert F. Keller, Acting Comptroller General.

Issue Area: Personnel Management and Compensation: Compensation (305).

Contact: Office of the General Counsel: Civilian Personnel.

Budget Function: General Government: Central Personnel Management (805).

Organization Concerned: Internal Revenue Service.

Authority: F.T.R. (FPMR 101-7), para. 2-6.1. F.T.R. (FPMR 101-7), para. 2-6.2e. B-184869 (1976). B-185976 (1977). B-186009 (1976).

A Federal employee requested reconsideration of the denial of his claim for reimbursement of an appraisal fee paid when he attempted to sell his residence at the time of a transfer. Because of market conditions, the home was never sold. The claim was disallowed because, generally, only expenses incurred incident to completed sale or purchase transactions may be reimbursed, and losses or expenses due to market conditions are not reimbursable in any case. (Author/SC)

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**DECISION**



**THE COMPTROLLER GENERAL  
OF THE UNITED STATES**  
WASHINGTON, D. C. 20548

D. Faulkner  
Cly. P. P.

FILE: B-187848

DATE: August 23, 1977

MATTER OF: Ralph F. Pupo - Relocation Expenses

**DIGEST:** A transferred employee had residence at old duty station appraised to set selling price. Because of market conditions home was never sold, but employee submitted claim for cost of appraisal. Claim is disallowed because, generally, only expenses incurred incident to completed sale or purchase transactions may be reimbursed, and losses or expenses due to market conditions are not reimbursable in any case.

Mr. Ralph F. Pupo has requested reconsideration of our Claims Division Settlement Certificate Z-2634488, dated October 19, 1976, disallowing his claim for reimbursement of an appraisal fee paid when he attempted to sell his residence at the time of a transfer.

On or about March 17, 1975, Mr. Pupo, an employee of the Internal Revenue Service, reported to his new duty station, Scranton, Pennsylvania. Immediately prior to reporting, he began his efforts to sell the residence in Dalran, New Jersey, that he had occupied while at his old duty station, Philadelphia, Pennsylvania. When he listed his house for sale, Mr. Pupo had the property appraised to determine a fair sales price. Even though he had not yet sold his residence at his old duty station, on June 30, 1975, Mr. Pupo purchased a home in Scranton.

Mr. Pupo continued to attempt to sell his New Jersey home and obtained a 1-year extension of the time limit for selling that home. Finally, Mr. Pupo felt that he could no longer continue to make mortgage payments on two residences so he sold his home in Scranton because the real estate market was better there. He has now taken a voluntary reduction in grade and has been transferred back to Philadelphia.

Although Mr. Pupo never sold his home in New Jersey, he submitted a claim for the \$40 appraisal fee he paid when he listed his home for sale. The Internal Revenue Service disallowed the claim because the house had not been sold. Our Claims Division disallowed the claim on the same grounds.

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In his letter requesting reconsideration of our Claims Division Settlement Certificate, Mr. Pupo contends that:

"\* \* \* I incurred and paid for a clearly reimbursable expense in connection with a transfer for the benefit of the government, conducted myself in good faith to effect the move, and for reasons beyond my control (the state of the real estate market) was unable to do so. Since I would not have incurred the expense had I not been transferred, and since the incurring and paying of the appraisal fee obviously does not benefit me in any way, I believe that in all justice I should be reimbursed for my out-of-pocket expense of \$40.00.

"The following statement is made on page 2 of your letter as the reason you are not authorizing payment:

'Since there was no residence sale at the old duty station, no reimbursement may be made for residence transaction expenses.'

"In my reading of the guidelines available to me, and the statement in your letter regarding Section 2-6.1 of the Federal Travel Regulations, I see no requirement that the sale must be consummated. The only requirements stated are that the expense must have been incurred and paid in connection with the sale of the residence. The appraisal fee was certainly in connection with the sale of my residence, since when I incurred and paid it I obviously had no idea that I would not ultimately be able to sell the property. I believe that it is not germane that the sale was not actually consummated." (Emphasis in original.)

Paragraph 2-6.1 of the Federal Travel Regulations (FTR) (FPMR 101-7) (May 1973) provides that the Government shall reimburse an employee for certain expenses incurred incident to the sale of his residence at his old duty station. We have held that only expenses incurred incident to completed sales are reimbursable. In Matter of Robert A. Benson, B-184869, September 21, 1976, we disallowed

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reimbursement of the costs of preparing three contracts of sale that were not consummated, and in Matter of George W. Lay, B-185976, April 27, 1977, 56 Comp. Gen. \_\_\_\_ (1977), we disallowed a claim for the cost of preparing an affidavit of title in connection with an incomplete sale.

Mr. Pupo's main contention seems to be that the sale would have been made but for poor market conditions. Paragraph 2-6.2e of the FTR provides that:

"Losses due to prices or market conditions at the old and new posts of duty. Losses due to failure to sell a residence at the old official station at the price asked, or at its current appraised value, or at its original cost, or due to failure to buy a dwelling at the new official station at a price comparable to the selling price of the residence at the old official station, and any similar losses, are not reimbursable."

In Matter of Jay D. Fitch, B-186009, October 12, 1976, we held that the cost of a second appraisal which was required because the claimant's residence was not sold within 6 months because of market conditions was not reimbursable. Clearly, any losses or expenses resulting from poor market conditions are not reimbursable.

Accordingly, the disallowance of Mr. Pupo's claim is sustained.

*R. F. K. 11/11/77*  
Acting Comptroller General  
of the United States

UNITED STATES GOVERNMENT

D. Faulkner  
Civ. Pers.  
GENERAL ACCOUNTING OFFICE

# Memorandum

TO : Director, Claims Division

August 23, 1977

FROM : Acting  
Comptroller General *W. H. H. H.*

SUBJECT: Ralph F. Pupo - Relocation Expenses - B-187848-O.M.

Attached are the claims file Z-2634488 and a copy of our decision B-187848, of today, sustaining your disallowance of Mr. Pupo's claim for reimbursement of relocation expenses.

Attachments